

Sec. 14-1. - Purpose and effective date.

Pursuant to Senate Bill No. 1355, Special Act No. 163 of the Senate and House of Representatives in General Assembly convened, a *Pension Plan* operated jointly with the Town of Danbury, Connecticut, is effective as of June 1, 1963 for those present and future *Employees* who meet the requirements set forth in this Chapter 14. When such *Employees* who are Members in the Pension Plan retire or are retired from active employment, benefits will be paid to such Member from such Pension Plan pursuant to the terms thereof which are supplemental to any benefits provided under the federal Social Security Act.

Sec. 14-3. - Eligibility for membership.

Effective June 1, 1973, and subject to the provisions of Section 14-18 of this Article, *Employees* shall become *Members* of the Pension Plan or shall be considered to have become *Members* of the Pension Plan on the first day of the month following employment or election. For all *Members* retiring prior to January 1, 1984, all past service with the City of Danbury or Town of Danbury on a full-time basis shall be included regardless of when service took place and regardless of whether in the service of the former city government or town government if said service was prior to normal retirement date. For all *Members* retiring after January 1, 1984, and subject to the provisions of Section 14-18 of this Article, all past service with the City of Danbury or Town of Danbury on a full-time basis shall be included regardless of when service took place and regardless of whether in the service of the former city government or town government if said service was prior to a *Member's* seventieth (70th) birthday.

Sec. 14-3.1. - Participation of Employees of redevelopment agency.

All *Employees* of the redevelopment agency of the City of Danbury hired prior to July 1, 2017, who hold a position that is not included in any collective bargaining agreement may, at the discretion of said redevelopment agency, become *Members* of the *Pension Plan* provided that all costs incurred as a result of their membership and all contributions necessary to provide benefits under the Pension Plan must be paid to the City of Danbury by said redevelopment agency.

Sec. 14-3.2. - Participation of Employees in office of the clerk.

Members of the *Pension Plan* who are employed in the office of the town clerk prior to November 19, 1979, as full-time *Employees* shall have their *Credited Service* extended to include the number of months of continuous employment in said office immediately preceding November 19, 1979.

Sec. 14-12. - Provision to prevent discrimination.

If within ten (10) years after the effective date of the *Pension Plan*, the *Plan* is terminated, contributions discontinued by the employer, or the full current costs are not met, then, anything herein to the contrary notwithstanding, the contributions of the *Employer* hereunder which may be used for the benefit of any *Member*, who on the effective date of the *Pension Plan* is among the twenty-five (25) highest paid *Employees*, but excluding any *Member* whose annual retirement benefit, estimated on the basis of his compensation for the calendar year 1962, will exceed fifteen hundred dollars (\$1500.00) shall not exceed the greater of:

- (a) Twenty thousand dollars (\$20,000.00); or
- (b) The amount obtained by multiplying twenty per cent (20%) of the first fifty thousand dollars (\$50,000.00) of the *Average Compensation* received from the *Employer* by such *Member* for the five (5) consecutive years preceding the occurrence of such event by the number of years between the effective date of the *Pension Plan* and the occurrence of such event.

If within ten (10) years after the effective date of the *Pension Plan*, the *Plan* is terminated or the full current costs are not met, then, no *Member* who is within the class described above shall thereafter receive benefits hereunder in excess of those provided in the foregoing paragraph.

If the provisions of this section shall become operative because of the failure of the *Employer* to meet the full current costs of the plan and thereafter contributions of the *Employer* shall be made in an amount sufficient to meet such costs, the excess of the aggregate amount of the benefits which would have been paid if such full current costs had at all times been met, over the aggregate amount of the benefits which had been paid, shall be paid in a lump sum to the *Members* who would have been entitled to receive them.

These conditions shall not restrict the full payment of benefits to the contingent annuitant or beneficiary of any retired *Member* who dies while the plan is in full effect and full current costs have been met.

For the purpose of this section, the full current costs of the *Pension Plan* shall be deemed to be met at any time if the unfunded accrued liability at that time does not exceed the initial unfunded accrued liability of the *Pension Plan* as determined by the actuary.

In the event that it shall be determined by statute, court decision, or otherwise that the provisions of this section are no longer necessary to qualify the plan under the Internal Revenue Code, this section shall be ineffective without amendment to the *Pension Plan*.

Sec. 14.4. - Retirement dates.

Effective June 1, 1973, the normal retirement date shall be the first of the month following a *Member's* sixty-fifth (65th) birthday, except that in the case of elected officials it shall be the later of the first day of the month following the *Member's* sixty-fifth (65th) birthday or the date upon which the *Member* is no longer an *Employee* as defined in Section 14-2(e). A *Member*, active or inactive, who has attained age fifty-five (55) may retire and commence benefits on the first day of any month following the *Member's* fifty-fifth (55th) birthday subject to the provisions of Section 14-5. For all *Members* retiring prior to January 1, 1984, no pension benefits shall accrue beyond normal retirement date. For all *Members* retiring after January 1, 1984, *Credited Service* shall continue to accrue beyond the normal retirement date until actual retirement or until the first of the month following the *Member's* seventieth (70th) birthday when retirement shall be mandatory. For *Members* who were sixty-five (65) years of age or more on January 1, 1984, the mandatory retirement age shall be seventy-five (75) years of age. However, service and salary credits will not accrue after the first of the month following such *Member's* seventieth (70th) birthday.

Sec. 14-14. - Disability retirement.

A *Member* who is in receipt of a disability income payable under the Federal Social Security Act shall be entitled to a disability retirement benefit hereunder in accordance with the following regulations:

- (a) Disability retirement benefit payments shall commence on the first day of the month coincident with or next following the date upon which the *Member* is entitled to a disability income payment under the federal Social Security Act.
- (b) Disability retirement benefits shall be discontinued on the date upon which disability income payments under the federal Social Security Act are discontinued.
- (c) A *Member* who is in receipt of a disability benefit shall, upon attaining his or her normal retirement date, be entitled to a normal retirement benefit of the same amount as his or her disability retirement benefit.
- (d) For each *Member* who retires under this section, the monthly amount of disability retirement benefit shall be equal to one-twelfth of one and one-half ($1\frac{1}{2}$) per cent of said *Member's Average Compensation* multiplied by the number of years of *Credited Service* prior to the date of disability. For each *Member* who retired under this section prior to January 1, 1975, the monthly amount of disability retirement benefit shall be reduced by one-half of one ($\frac{1}{2}$ of 1) per cent for each month by which the actual commencement of disability retirement benefit payments preceded the *Member's* normal retirement date. For each *Member* who retired under this section on or after January 1, 1975, and prior to January 1, 1983, the monthly amount of disability retirement benefit shall be reduced by the lessor of:
 - (1) The reduction described in the immediately preceding sentence; or
 - (2) A reduction so that the amount of benefit shall be of equivalent actuarial value to the amount of benefit which otherwise would have been payable commencing on the *Member's* normal retirement date.
- (e) A *Member* whose disability retirement benefit has been discontinued and who immediately returns to employment shall, upon subsequent retirement, be entitled to a retirement benefit computed in accordance with section 14-5 based upon said *Member's Compensation* and years of *Membership* in the Plan exclusive of the period during which he or she was in receipt of a disability retirement benefit.
- (f) This section shall apply retroactively to any *Employee* receiving Social Security disability benefits after July 1, 1968.

Sec. 14-2. - Definitions.

The following words and phrases when used in this chapter have the following meaning:

- (a) *Board or Retirement Board* means the entity which will direct the administration of the *Plans* in accordance with Section 14-10 hereof.
- (b) *Employer* means either the Town of Danbury or the City of Danbury, or both, as the context may require, or any successor thereto.
- (c) (1) *Compensation* means the amount paid to the *Employee* by the *Employer* for the services of the *Employee*, but excluding any amounts paid on the account of the *Employee* under this *Plan*, any other *Employee* trust or any *Employee* insurance plan of the *Employer*. *Compensation* of an *Employee* absent due to *Service in the Armed Forces* shall be computed assuming that the *Employee* is actively at work during the period of such absence and receives *compensation* from the *Employer* at the rate which was paid to the *Employee* by the *Employer* at the time the *Employee* ceased active employment to enter such *Service in the Armed Forces*.

(2) For all *Members* retiring prior to January 1, 1984, *Average Compensation* shall mean the average of *compensation* over the period of ten (10) years prior to the earliest of termination of service, actual retirement, or normal retirement date. If the total period of service is less than ten (10) years, the total period of service prior to the earliest of termination of service, early retirement, or normal retirement date shall be used in computing *Average Compensation*.

(3) For all *Members* retiring after January 1, 1984, *Average Compensation* shall mean the average of *compensation* over the period of three (3) years of highest *compensation*.
- (d) *Credited Service*. For all *Members* retiring prior to January 1, 1984, *Credited Service* shall mean the period of time which elapses between the first day of the month following the date upon which the *Employee* commences full-time employment and the date upon which the *Employee* is eligible for retirement or the date of the *Employee's* termination, whichever comes earlier. If reemployed, *Credited Service* shall be the sum of all years of full-time employment. *Credited Service* shall be computed on the basis of completed years and fractions thereof through the last completed full calendar month of employment. The provisions of this paragraph shall be retroactive to January 1, 1973.

For all *Members* retiring after January 1, 1984, *Credited Service* shall mean the period of time which elapses between the first day of the month following the *Employee's* date of full-time employment and the date upon which services of the *Employee* terminate. If reemployed, *Credited Service* shall be the sum of all years of full-time employment. *Credited Service* shall be computed on the basis of completed years and fractions thereof through the last completed full calendar month of employment.

There shall be included in such *Credited Service*:

- (1) Any period of absence while on active *Service in the Armed Forces*, provided the *Employee* returns to employment within ninety (90) days after the date when the *Employee* is first eligible for release from active *Service in the Armed Forces*, or at the end of any period for which such ninety-day period has been extended by the *Employer*.
- (2) Any period of time not in excess of three (3) months during any one excused absence from employment due to disability or layoff.

There shall be excluded from such elapsed period of time in computing the *Credited Service* of the *Employee*:

- (1) Any period of time during any excused absence due to disability or layoff in excess of three (3) months during any one excused absence from employment due to disability or layoff; or
 - (2) Any period of time during which the *Employee* is on leave of absence without pay.
- (e) *Employee* shall mean any person regularly employed by the *Employer* on a full-time basis, including elected officials, but excluding police officers, firefighters and persons eligible for membership in the state teachers' retirement system; provided, however, that police officers, firefighters and persons eligible for membership in the state teachers' retirement system may be considered *Employees* for purposes of this article by virtue of other full-time employment with the *Employer*.
- (f) *Member* means an *Employee* who has become a *Member* of the *Pension Plan* as provided in Section 14-3 or the *Retirement Plan* in Section 14-18 and whose membership has not terminated as provided in Section 14-7.
- (g) *Pension or Pensions* means the retirement benefit payable either periodically or as a lump sum to a *Member* in the *Pension Plan* who, at the time of such distribution or commencement of benefits, meets the retirement criteria of the *Pension Plan*, as herein provided or referenced in Sections 14-1 through and including 14-17, or as such *Pension Plan* may be amended or modified from time to time, or the lump sum eligibility criteria in accordance with Section 14-18, or as such criteria may be amended or modified from time to time.
- (h) *Pension Plan* means the defined benefit *retirement plan* as herein provided or referenced in Sections 14-1 through and including 14-17, or as such *Plan* may be amended or modified from time to time.
- (i) *Retirement Plan* means the defined contribution *Retirement Plan* as herein provided or referenced in Section 14-18, or as such *Plan* may be amended or modified from time to time.
- (j) *Plan or Plans* means the *Pension Plan* and/or the *Retirement Plan* as herein provided or referenced in this chapter 14, or as each such *Plan* may be amended or modified from time to time.
- (K) *Retired Member* means a *Member* who has retired from the service of the *Employer* and is entitled thereby to a retirement benefit hereunder from the *Pension Plan* or the *Retirement Plan*, whether or not payment of such retirement benefit has actually commenced or been distributed in full.
- (L) *Retirement benefit or benefit* means the monthly, or other periodic payment or payments to be provided under the *Plan* for a *Member*, terminated vested *Member*, *Retired Member*, or his or her contingent annuitant or beneficiary.
- (M) *Service in the Armed Forces* means:
 - (1) Compulsory active *Service in the Armed Forces* of the United States of America;
 - (2) Voluntary active *Service in the Armed Forces* of the United States of America during a period for which applicable federal laws provide reemployment rights upon termination of such service; or
 - (3) Active *Service in the Armed Forces* of the United States of America which, in the opinion of the *Retirement Board*, was entered upon in anticipation of compulsory active service.
- (N) *Termination of Employment of an Employee* means:
 - (1) Voluntary cessation of employment with the *Employer* by an *Employee*;

- (2) Discharge of an *Employee* by the *Employer*;
- (3) Failure of an *Employee* to return to work within ten (10) days after notice has been sent by the *Employer* recalling him or her to work after a layoff;
- (4) Failure of an *Employee* to return to active employment:
 - a. Upon recovery from a disability, being then able to perform his or her regular duties;
 - b. At the end of a period for which the *Employee* has been granted a leave of absence, or any extension thereof;
 - c. Within ninety (90) days after the date when said *Employee* is first eligible for release from active *Service in the Armed Forces*, or at the end of any period for which such ninety-day period has been extended by the *Employer* upon request for such extension by the *Employee* or somebody acting on his or her behalf;
- (5) Layoff of an *Employee*:
 - a. For a period of three (3) months in the case of an *Employee* with less than six (6) months of *Credited Service*;
 - b. For a period of one (1) year in the case of an *Employee* with six (6) months or more of *Credited Service*.
- (O) *City council* means the City council of the City of Danbury.

Sec. 14-5. - Retirement benefits, normal form and amount, early retirement benefit.

- (a) The normal form of retirement benefit payable hereunder from the *Pension Plan* (whether payment commences on a normal retirement date or an early retirement date) shall be an income payable monthly to the *Retired Member* for life, commencing on the first day of the month on which the first payment is due in accordance with the provisions hereof and ceasing with the payment due on the first day of the month in which the *Member's* death occurs.
- (b) Each *Member* in the *Pension Plan* upon retiring on or after the *Member's* normal retirement date shall be entitled to receive, commencing on the first day of the calendar month coincident with or next following the *Member's* retirement date, a monthly amount of retirement benefit equal to one-twelfth ($1/12$) of the product of one and one-half per cent ($1\frac{1}{2}\%$) of the *Member's Average Compensation* multiplied by the *Member's* number of years of *Credited Service*.
- (c) Each *Member* in the *Pension Plan* retiring before January 1, 1984, and before the *Member's* normal retirement date in accordance with Section 14-4 shall be entitled to receive, commencing on his or her normal retirement date, a monthly pension equal to one-twelfth of one and one-half per cent ($1/12$ of $1\frac{1}{2}\%$) of the *Member's Average Compensation* multiplied by the *Member's* number of years of *Credited Service*.
- (d) Each *Member* who began participation in the *Pension Plan* prior to July 1, 2017, who holds a position that is not included in any collective bargaining agreement and who is retiring after January 1, 1984, and before the *Member's* normal retirement date in accordance with Section 14-4, shall be entitled to receive, commencing on the earlier of either the *Member's* normal retirement date or the first day of the month following the birthday of a *Member* which causes the sum of his or her age and number of years of service to equal eighty-five (85), a monthly pension equal to one-twelfth of one and one-half per cent ($1/12$ of $1\frac{1}{2}\%$) of the *Member's Average Compensation* multiplied by the *Member's* number of years of *Credited Service*.
- (e) Each *Member* in the *Pension Plan* hired after July 1, 2017, who holds a position not included in any collective bargaining agreement, shall be entitled to receive, commencing on the *Member's* normal retirement date, a monthly pension equal to one-twelfth of one and one-half per cent ($1/12$ of $1\frac{1}{2}\%$) of the *Member's Average Compensation* multiplied by the *Member's* number of years of *Credited Service*.
- (f) A *Member* age fifty-five (55) or over and retiring prior to January 1, 1984, may elect to receive a reduced monthly amount of retirement benefit (commencing on the first day of any month on or after the *Member's* early retirement date and before his or her normal retirement date) which shall be the monthly benefit which otherwise would commence on the *Member's* normal retirement date reduced by one-half of one per cent ($\frac{1}{2}$ of 1%) for each month by which the actual commencement of pension benefit payments precedes the normal retirement date.
- (g) Each *Member* who began participation in the *Pension Plan* prior to July 1, 2017, who holds a position that is not included in any collective bargaining agreement, who has reached at least age 55 and is retiring after January 1, 1984, and before both the *Member's* normal retirement date and the first day of the month following the birthday of a *Member* which causes the sum of the *Member's* age and number of years of service as an *Employee* of the city to be equal to eighty-five (85) may elect to receive an early retirement benefit equal to a reduced monthly amount of retirement benefit which shall be the monthly benefit which otherwise would commence on the earlier of either a *Member's* normal retirement date or the first day of the month following the birthday of a *Member* which causes the sum of the *Member's* age and number of years of service as an *Employee* of the City of Danbury to equal eighty-five (85), reduced by one-half of one per cent ($\frac{1}{2}$ of 1%) for each month by which the actual commencement of pension benefit payments precedes the earlier of either the *Member's* normal retirement date or the first day of the month

following the birthday of a *Member* which causes the sum of the *Member's* age and number of years of service as an *Employee* of the City of Danbury to equal eighty-five (85).

- (h) Each *Member* who began participation in the *Pension Plan* after July 1, 2017, who holds a position that is not included in any collective bargaining agreement, who has reached at least age 55 and is retiring before the *Member's* normal retirement date, may elect to receive an early retirement benefit equal to a reduced monthly amount of retirement benefit which shall be the monthly benefit which otherwise would commence on the *Member's* normal retirement date reduced by one-half of one percent ($1/2$ of 1%) for each month by which the actual commencement of pension benefit payments precedes the normal retirement date.
- (i) In lieu of the early retirement benefit specified in paragraphs (f), (g) or (h) and provided none of the optional forms of retirement benefit described in Section 14-6 is in effect, a *Member* in the *Pension Plan* who is retiring in advance of the date on which he or she is eligible to receive his or her primary Social Security benefit may elect in writing, filed with the *Board* prior to the commencement of retirement benefit payments from the *Pension Plan*, a form of retirement benefit of equivalent actuarial value to the retirement benefits which would otherwise be paid to the *Member* from the *Pension Plan* and under which he or she shall receive a greater amount of retirement benefit until the date on which it is expected he or she will become eligible to commence receiving Social Security benefit payments, and a smaller amount of retirement benefit from the *Pension Plan* or no retirement benefit from the *Pension Plan* thereafter, so that, insofar as is practicable, he or she may have a constant total amount of retirement income from the *Pension Plan* inclusive of his or her benefit payments under the Social Security Act.
- (j) The election of an early retirement benefit under this section must be in writing and filed with the *Board*, in such form as it shall prescribe, at least sixty (60) days prior to the date benefits are to begin.
- (k) If the monthly payment hereunder to any person would amount to less than twenty dollars (\$20.00) the *Board* may cause payment to be made to such person at less frequent intervals (but not less frequently than annually) in correspondingly greater amounts; provided, however, that if the annual rate of benefit payable to any person is less than one hundred dollars (\$100.00), the *Board* may, at its sole discretion, direct the trustee to pay such person the then present value of the retirement benefit in one sum forthwith or in installments with interest over such period of time as the *Board* may determine.
- (l) Those persons receiving pensions based on formulas in effect under this *Pension Plan*, prior to December 4, 1968, shall have their annual pensions increased by the sum of two hundred dollars (\$200.00) effective July 1, 1971. All persons retiring prior to July 3, 1973, shall have their pension increased by ten (10) per cent effective September 1, 1975, and all persons retiring prior to July 3, 1973, shall have their pensions increased by an additional ten (10) per cent effective September 1, 1977. All persons retiring prior to July 3, 1973, shall have their pensions increased by an additional fifteen (15) per cent effective January 1, 1982.
- (m) (1) Except as otherwise provided in (2) below, persons retiring from service with the City of Danbury shall have their pensions increased from time to time for increases in the cost of living, as hereinafter described. For purposes of this section, the term "base month" shall mean the month of December next preceding the July 1 on which the most recent cost of living increase in pensions became effective, but the first base month shall be December 1, 1973; the term "cost of living index" shall mean the "Consumer Price Index for Urban Wage Earners and Clerical Workers," United States city average, all items—Series A (1967-100), published by the United States Department of Labor, Bureau of Labor Statistics. Each January, commencing January, 1975, the cost of living index for the next preceding December shall be divided by the cost of living index for the base month; if the quotient equals or exceeds 1.15, all pensions shall be increased by multiplying the pension currently being paid by 1.15; such increase to be effective the following July 1. Such increases in pensions shall apply to surviving beneficiaries and

surviving contingent annuitants to whom benefits are payable under the terms of this chapter, as well as to *Retired Members*.

(2) No *Employee* hired after July 1, 2017, who holds a position that is not included in any collective bargaining agreement, nor any surviving beneficiary or surviving contingent annuitant of such *Employee*, shall be eligible for any increase to his or her pension, or any payments thereof, on account of increases in the cost of living, as otherwise described in (1) above.

- (n) In order to qualify for a cost of living adjustment as provided for in (m) above, a *Member* must have retired prior to January first in the year during which said cost of living adjustment became effective.
- (o) A *Member* in the *Retirement Plan* may elect to receive the normal form of retirement benefit that is available under the applicable Plan document in effect for such Retirement Plan, if such plan document provides for a normal form of such benefit.

Sec. 14-6. - Optional forms of retirement benefit; beneficiaries; lump sum payment option for terminated vested members.

(a) Subject to the conditions enumerated in this section, a *Member* in the *Pension Plan* may elect to receive any one of the following optional forms of retirement benefit from the *Pension Plan* in lieu of the normal form of retirement benefit from the *Pension Plan* to which said *Member* would otherwise be entitled in accordance with Section 14-5.

Option A: A contingent annuitant form of retirement benefit under which the *Member* shall receive, commencing on the same date as that on which benefits would otherwise commence, and ceasing with the payment due on the first day of the month in which said *Member's* death occurs, a reduced amount of retirement benefit; and after said *Member's* death a person designated by said *Member* as his or her contingent annuitant (if such person shall survive the *Member*) shall receive for life either the same amount of retirement benefit or, subject to the approval of the *Board*, a percentage thereof as specified by the *Member* in his or her election;

Option B: A form of retirement benefit under which the *Member* shall receive, commencing on the same date as that on which benefits would otherwise commence, and ceasing with the payment due on the first day of the month in which the *Member's* death occurs, a reduced amount of retirement benefit; and after said *Member's* death, if death occurs before he or she shall have received monthly retirement benefits for a period of five (5) years, ten (10) years, or fifteen (15) years, whichever the *Member* shall elect, the beneficiary shall receive the same reduced monthly retirement benefit until monthly payments to the *Member* and his or her beneficiary have been made for the period so elected by the *Member*;

Option C: A single lump sum payment form of retirement benefit based on the *Member's* retirement benefit otherwise payable in the normal form as determined in section 14-5 and commencing on his or her normal retirement date as determined in section 14-4, which lump sum shall be determined using the same actuarial assumptions that are used by the actuaries for the *Pension Plan* in the preparation by such actuaries of the most recently published valuation report for such *Plan* that is in effect at the time of the *Member's* lump sum election, except for the mortality basis which shall be determined on a unisex basis blended 50% male, 50% female. Such lump sum shall be payable to the *Member* commencing on the applicable normal retirement date on which benefits in the normal form which would otherwise commence, or at the *Member's* election, commencing on such earlier date but not before the later of the date the *Member* attains age 55 or the date the *Member* terminates employment with the *Employer*. For purposes of determining the *Retired Member's* eligibility for other benefits, if any, payable to retirees of the *Employer*, a *Retired Member* hired prior to January 1, 2012 who receives a lump-sum payment under this Option C shall be treated as a retiree to the same extent as if the *Retired Member* had elected or received any other form of payment under the *Pension Plan* in accordance with Section 14-5 or 14-6;

Option D: Such other form of retirement benefit, payment or settlement as the *Board*, at its sole discretion, may approve which does not permit the deferment of benefits to the retirement *Member* and payment of all or a substantial part thereof to a beneficiary or other person upon the death of the *Member*.

PRIOR OPTION D: REPEALED BY ORD. NO 141, 3-4-69.

The conditions under which any one of these options may be elected are as follows:

- (1) The *Member's* election must be in writing and filed with the *Board* in such form and at such time as it shall prescribe, and shall become effective on the *Member's* actual or normal retirement date, whichever is the earlier.
- (2) If the *Employee* has elected Option B or Option C in a form which provides a benefit following the *Member's* death, he or she shall designate in writing, in such form as the *Board* shall require, a beneficiary to receive any retirement benefit payments to be made after said *Member's* death. Such designation may be changed, either prior to or subsequent to the effective date of the election of such option, by a new designation.

- (3) After an *Employee's* actual or normal retirement date, whichever is earlier, an election of an option under this section which became effective on such date in accordance with subsection (1) above may not be rescinded, nor may the contingent annuitant under Option A be changed.
- (4) If the contingent annuitant under Option A dies before the effective date of the option, the election shall cease to be effective unless the *Member* shall, within sixty (60) days thereafter, name a new contingent annuitant. If the beneficiary under Option B or Option C or D dies before the effective date of the option, the *Member* may rescind his or her election by filing a written request therefor with the *Board*.
- (5) The death of a contingent annuitant under Option A, or of a beneficiary under Options B, C or D, after the effective date of the option and while a *Retired Member* is still living, shall not affect the amount of retirement benefit payable to the *Retired Member* pursuant to his or her election under this section.
- (6) The amount of retirement benefit payable under an option effective under this section shall be of equivalent actuarial value to the amount of normal retirement benefit which otherwise would have been payable to the *Member*.

Each *Member* to whom benefits are payable under Option B, Option C (or Option D, when appropriate), shall designate a beneficiary to whom any benefits payable upon the death of such *Employee* in accordance with such Option B, Option C (or Option D, when appropriate) shall be paid. Such *Member* (or *Retired Member*) may also designate a contingent beneficiary, and may designate or change his or her beneficiary, or contingent beneficiary, from time to time, before or after said *Member's* retirement, by filing a written notice thereof with the *Board* in such forms as shall be prescribed by it.

If a beneficiary under Options B, C or D does not survive the *Member* or the *Retired Member* for more than forty-eight (48) hours, and if no contingent beneficiary has been named by such *Member* or *Retired Member*, the commuted value of the benefits, if any, to which his or her surviving beneficiary would have been entitled shall be paid in one sum to the executor (executrix) or administrator (administratrix) of the estate of the deceased *Member* or deceased *Retired Member*. If a beneficiary who survives the *Member* or *Retired Member* for more than forty-eight (48) hours dies before receiving all payments to which he or she is entitled, the commuted value of payments due thereafter shall be paid in one sum to the executor (executrix) or administrator (administratrix) of the estate of such deceased beneficiary. Such payments shall fully discharge the liability of the *Plan* with respect to the amount so paid.

Anything herein to the contrary notwithstanding, any amount which shall become payable to the executor (executrix) or administrator (administratrix) of the estate of a deceased *Member*, deceased *Retired Member*, or deceased beneficiary may, at the sole discretion of the *Board*, be paid instead to any one or more of the following surviving relatives of the deceased *Member*, deceased *Retired Member*, or deceased beneficiary, as the case may be: wife, husband, mother, father, child (including stepchild or child by adoption,) sister, or brother. Any such payment shall fully discharge the liability of the *plan* and trust with respect to the amount so paid.

(b) Subject to the conditions enumerated in this section, a *Member* who is vested in the *Pension Plan* pursuant to Section 14-7 who terminates his or her employment with the *Employer* prior to reaching his or her applicable early retirement age or normal retirement age under the *Pension Plan*, may elect to receive a lump sum payment of his or her retirement benefit, calculated in the same manner as for Option C in subsection (a) above, except that his or her age at the time of his or her *Termination of Employment* shall be used for such lump sum calculation, which lump sum shall be payable to the *Member* as soon as reasonably practicable after the later of such termination date and the date the *Member's* completed election forms are returned to, and processed by, the *Employer*. Such lump sum payment shall be in lieu of the normal form of retirement benefit from the *Pension Plan* to which said *Member* would otherwise be entitled in accordance with Section 14-5.

(c) A *Member* in the *Retirement Plan* may elect to receive any of the optional forms of retirement benefit

that are available under the applicable *Plan* document in effect for such *Retirement Plan*.

Sec. 14-7. - Termination of Employment, vesting, refund of Employee contributions.

In the event of the *Termination of Employment* of any *Member* hired prior to December 31, 1983, such *Member* shall be vested in the *Pension Plan* under the most advantageous provisions of subsections (a), (b), (c), or (d) below and vested in the *Retirement Plan* in accordance with subsection (f). In the event of the *Termination of Employment* of any *Member* in the *Pension Plan* hired on or after January 1, 1984, such *Member* shall be vested only in accordance with the provisions of subsection (d) except as otherwise provided in subsection (e) below, any qualifying *Member* in the *Pension Plan* may elect to receive early retirement benefits in accordance with the provisions of this Article 14. Nothing herein shall be interpreted to prevent application by a qualifying *Member* for disability retirement benefits from the *Pension Plan* in accordance with the provisions of Section 14-14 hereof.

In the event of the *Termination of Employment* of a *Member*:

- (a) If said *Member* has worked for ten (10) years he or she shall not forfeit any pension right. Membership in the *Pension Plan* shall continue and upon attainment of his or her normal retirement date he or she shall be entitled to receive a Retirement Benefit determined in accordance with Section 14-5 and based on the *Member's Average Compensation* and *Credited Service* to the date of termination. Likewise such *Member* in the *Pension Plan* may exercise early retirement options but only after the age of fifty-five (55).
- (b) If a *Pension Plan Member's* employment is terminated and said *Member* cannot qualify under subsection (a) of this section said *Member* may qualify for a vested Retirement Benefit from the *Pension Plan* if the sum of his or her years of service plus said *Member's* age at his or her last birthday totals the number fifty (50). Said *Member* shall receive a pension from the *Pension Plan* as described in subsection (a) above.
- (c) A *Member* terminating before normal retirement date not qualifying under the above paragraphs loses all pension benefits from the *Pension Plan* unless he or she is rehired and can accumulate the additional service to qualify under the above paragraphs.
Persons returning to work must work a minimum of one (1) year to qualify under this subsection.
- (d) The benefits provided under the *Pension Plan* shall vest in accordance with the following schedule:

Vesting Schedule

Years of Full Employment	VESTED Percentage
Less than 5 years	0
5	50
6	60
<u>7</u>	70
<u>8</u>	80
<u>9</u>	90

- (e) Effective as of July 1, 2011, a *Member* who separates employment with the *Employer* after that date with less than five (5) years of service shall be entitled to a return of his or her *Employee* contributions to the *Pension Plan*.

Effective as of July 1, 2011, a *Member* who separates employment with the *Employer* after that date with more than five (5) years but less than ten (10) years of service shall have the option of receiving his/her *Employee* contributions to the *Pension Plan* plus three percent (3%) interest (or such higher rate that may be approved from time to time for a *Member* in either the collective bargaining agreement covering such *Member* or by approval by the City Council with respect to *Members* holding positions that are not included in any collective bargaining agreement in lieu of any other partially vested benefit under the *Pension Plan* provided that such *Member* makes such irrevocable election in writing at the time of his or her separation.

In the event that a *Member* who separates service and receives a return of contributions (with or without interest as set forth above) and the *Member* is subsequently re-employed by the *Employer*, the *Member* will not receive credit for pension or retirement purposes in the *Pension Plan* or the *Retirement Plan* for any years of service prior to his or her reemployment.

- (f) The benefits provided under the *Retirement Plan* shall vest in accordance with the vesting schedule set forth in the applicable *Plan* document in effect for such *Retirement Plan*. Any additional terms and conditions applicable to the *Retirement Plan* shall be set forth in the applicable plan document governing such *Retirement Plan*, which may include a customized or prototype or other standard *Plan* document furnished to the City by the vendor or other service provider hired by the City to provide services with respect to such *Retirement Plan*.

Sec. 14-8. - Contributions by *Employee* and *Employer*.

Contributions necessary to provide the benefits under the *Pension Plan* shall be made by the *Employer*, and no *Employee* as defined in Section 14-2 of the Code of Ordinances of the City of Danbury, except those non-union *Employees* hired subsequent to January 1, 2011, shall be required to make any contributions. Those non-union *Employees* hired subsequent to January 1, 2011 shall contribute five percent (5%) of their base annual salary as defined for purposes of the *Pension Plan*, or such greater percentage as may be required in the future by the *Employer*. Contributions shall be made to the trustee from time to time in amounts sufficient to assure the successful operation of the *Pension Plan* on a sound actuarial basis as determined by periodic actuarial computations.

The *Employer* shall pay the expenses of administering the *Pension Plan*, including any compensation of the trustee and the compensation of the actuaries.

Sec. 14-9. - Limitation of rights of *Employees*.

Nothing contained in the *Plans* give, or is intended to give, any *Employee* the right to be retained in the service of the *Employer* or interferes, or is intended to interfere, with the right of the *Employer* to discharge or terminate the employment of any *Employee* at any time. No *Employee* shall have any right or claim to benefits beyond those expressly provided by the *Plans*. All rights and claims are limited as set forth in the *Plan* and are further limited to the extent of the funds available therefor in the hands of the trustee.

No benefits payable at any time under the *Plan* shall be subject, in any manner, to alienation, sale, transfer, assignment, pledge, attachment or encumbrance of any kind. Any attempt to alienate, sell, transfer, assign, pledge or otherwise encumber any such benefit, whether presently or thereafter payable, shall be void. No retirement benefit and no trust established in connection with this *Plan* shall in any manner be subject to the debts or liabilities of any *Member*, *Retired Member*, contingent annuitant, or beneficiary entitled to any benefit, nor shall any trustee of such trust be required to make any payment toward such debts or liability. If the *Member*, *Retired Member*, contingent annuitant or beneficiary shall attempt to, or shall alienate or encumber his or her benefits under this *Plan* or any part hereof, or if by reason of his or her bankruptcy (voluntary or involuntary) or insolvency or by reason of any attachment or any other event happening at any time, such benefits or any part thereof would devolve upon anyone else or would not be enjoyed by said *Member*, his or her right to receive same shall absolutely cease and terminate; provided, however, that thereafter the *Board* may, at its discretion, cause to be paid or applied for the support and maintenance of said *Member*, *Retired Member*, contingent annuitant or beneficiary or for the support and maintenance of any *Member* of his or her family, so much of said benefit, and in such shares and proportions as the *Board* may deem proper.

In the event it shall be determined by the *Board* that any *Retired Member*, contingent annuitant or beneficiary is unable to care for his or her affairs due to mental or physical incapacity, any benefits payable to him or her may be paid to the spouse, parent, brother or sister, or other person deemed by the *Retirement Board* to have occurred expenses for such *Retired Member*, contingent annuitant or beneficiary unless prior claim thereof has been made by a duly qualified guardian or other legal representative. Any such payment shall be a payment for the account of the *Retired Member*, contingent annuitant or beneficiary, and shall be a complete discharge of any liability of the *Plan* therefor.

Sec. 14-10. - Administration of the *Pension Plan* and the *Retirement Plan*.

The general administration of the *Pension Plan* and the *Retirement Plan* and the responsibility for carrying out their provisions shall be vested in a five (5) person *Retirement Board* composed of the mayor of the city (or his or her nominee), the director of finance (or his or her nominee), one person appointed jointly by the mayor and the director of finance, one person who is a representative of the Danbury Municipal Employees Association and one person who is a representative of the International Brotherhood of Teamsters, Local #677. A *Board* member may be replaced at any time by the person or persons or the union who appointed said member. A person appointed a member of such *Board* shall serve without compensation and shall signify his or her acceptance in writing. A *Board* member may resign by delivering a written resignation to the *Board* and such resignation shall become effective upon its delivery or at any later date specified therein. If at any time there shall be a vacancy in the membership of the *Board*, the remaining member or members shall continue to act until such vacancy is filled by action of the mayor or the director of finance of the city, by the two (2) of them jointly or by the applicable union whose representative has resigned from the *Board*.

The *Board* shall appoint from among its members a chairperson, and shall appoint as secretary a person who may, but need not, be a member of the *Board* or eligible for benefits under the *Pension Plan* or the *Retirement Plan*.

The *Board* shall hold meetings upon such notice, at such place or places, and at such times as its members may from time to time determine. A simple majority of the members at the time in office shall constitute a quorum for the transaction of business. All action taken by the *Board* at any meeting shall be by vote of the simple majority of those present at such meeting, but the *Board* may act without a meeting by unanimous action of its members evidenced by a resolution or other writing signed by all of the members of the *Board*.

Subject to the terms of the *Pension Plan* and *Retirement Plan*, the *Board* may from time to time adopt bylaws, rules and regulations for the administration of each *Plan* and the conduct and transaction of its business affairs.

The *Board* shall have such power as may be necessary to discharge its duties hereunder, including, but not limited to, the power to interpret and construe the *Pension Plan* and *Retirement Plan*, to determine all questions of eligibility, duration of *Credited Service*, dates of birth, membership and retirement, computation of benefits, value of benefits, and similarly related matters for the purposes of the each *Plan*, and the *Board's* determination of all questions arising under the *Pension Plan* and the *Retirement Plan* shall be binding upon all *Employees*, *Members*, *Retired Members*, or any others concerned.

The *Board* shall employ an actuary at such times as are necessary and the *Board* may retain or consult counsel and may employ such clerical, medical, accounting, actuarial, administrative or consulting services as it deems expedient in carrying out the provisions of the *Pension Plan* or the *Retirement Plan*.

The *Board* shall require each *Member* to submit to it, in such form as it shall deem reasonably adequate and acceptable, proof of age or date of birth and that of his or her contingent annuitant if such *Member* shall elect Option A under the *Pension Plan*.

The *Board* shall keep such records and minutes of its proceedings and actions as it deems appropriate. It shall also maintain accounts showing the fiscal transactions of the *Pension Plan* and the *Retirement Plan* and shall keep in convenient form such data as may be necessary for the actuarial valuation of the assets and liabilities of the *Pension Plan* and for the records and reports relating to the *Retirement Plan*. The *Board* shall prepare annually a report for each *Plan* to the City council showing in reasonable detail the assets and liabilities and a brief account of the operation for the preceding year. It shall keep a copy of the *Pension Plan* and the *Retirement Plan* in the office of the mayor and the comptroller of the city available for inspection by *Members* and *Retired Members*, and shall permit any

Member or Retired Member in the *Pension Plan* or any *Member or Retired Member* in the *Retirement Plan* to examine such of its records as are material to his or her rights and benefits hereunder.

The *Board*, or its authorized agent, shall direct the trustee or vendor concerning all payments which are to be made out of the fund pursuant to the *Pension Plan* or the *Retirement Plan*, and all terminations of such payments.

The *Board* may authorize one or more of its members, officers or agents to sign on its behalf any instructions of the *Board* to the trustee or vendor and the trustee and/or vendor will be fully protected in action thereon.

The members of the *Board* shall use ordinary care and reasonable diligence in the performance of their duties, but no member shall be personally liable for any error of omission or commission unless such error results from gross negligence, willful misconduct or lack of good faith; not shall any member be personally liable for any act of any other member or members.

Operation and administration expenses of the *Board* shall be paid by the *Employer*. The *Employer* shall reimburse members of the *Board* for all necessary expenses. The secretary of the *Board* shall be entitled to such compensation, if any, as the *Board* shall from time to time direct.

Neither the *Board*, nor the *Employer*, shall be responsible for any reports furnished by the actuary or any other consultant or vendor employed by the *Board*, but shall be entitled to rely thereon as well as on all tables, valuations and certificates furnished by such actuary, consultant or vendor, and on all opinions of counsel. The *Board*, the *Employer* and the trustees shall be fully protected with respect to any action taken or suffered by them in good faith and reliance upon any such actuary, accountant or counsel, and all actions taken and suffered in such reliance shall be binding between, and without liability to, each of them and to each and all *Members*, contingent annuitants or beneficiaries under the *Pension Plan* or *Retirement Plan* or under a trust agreement made a part hereof. Neither the *Employer*, nor the trustee of any trust established hereunder in connection with the funding of the *Pension Plan* or *Retirement Plan*, shall be liable hereunder, or under any trust agreement entered into hereunder, for any error of omission or commission unless such error results from its own gross negligence, willful misconduct or lack of good faith; and neither the *Employer* nor any trustee shall be liable hereunder for any error of omission or commission of any attorney or agent unless in the selection of such attorney or agent it was guilty of gross negligence, willful misconduct, or lack of good faith.

Sec. 14-11. - Amendment to, termination of or discontinuance or suspension of *Employer* contributions to *Pension Plan* or *Retirement Plan*.

The *Employer* reserves the right to modify or amend the *Pension Plan* or *Retirement Plan* or any of their provisions by delivery to the *Retirement Board* of a certified copy of the vote of the City council making such modification or amendment; provided, however, that no such modification or amendment shall be made which would:

- (a) Increase the duties or liabilities of the trustee without its written consent;
- (b) Divest a *Member* of any interest hereunder that has accrued to him or her; or
- (c) Cause or permit any portion of the trust fund or other fund comprising the *Plan* to be converted to or become the property of the *Employer* prior to the satisfaction of all liabilities with respect to such *Plan*;

unless such modification or amendment is necessary or appropriate to enable the *Plan* or trust or fund to qualify under Section 401 of the Internal Revenue Code as from time to time amended or under any corresponding section of the Internal Revenue Code as hereafter enacted.

In the event the *Pension Plan* at any time shall be terminated in whole or in part or contributions under the *Pension Plan* shall be discontinued, the value of the assets of the trust fund shall be determined. Such assets shall then be used in such way that each of the following provisions shall be given full effect before any later provision is carried out and in such way that if, in the carrying out of a provision, the value of the property remaining in the trust fund of the *Pension Plan* is insufficient to carry out such provision in full, the property available therefor shall be applied in the same proportions as the allocation which would be made if such property were sufficient to carry out the provisions in full:

- (1) To provide the retirement benefits under the *Pension Plan* still to be paid to any *Retired Member*, or contingent annuitant, or beneficiary of a deceased *Retired Member*.
- (2) To provide the retirement benefits under the *Pension Plan* which have accrued to *Members* who have reached their normal retirement dates or who have reached the first day of the month following the birthday which causes the sum of their age and number of years of service as an *Employee* of the City of Danbury to equal eighty-five (85) and who have not retired.
- (3) To provide the retirement benefits under the *Pension Plan* which have accrued to *Members* who have reached a date upon which they could terminate employment without forfeiting all interest in the trust fund in accordance with Section 14-7.
- (4) If there is a balance of the fund remaining after the allocations provided for in subsections (1), (2) and (3) above, to allocate such balance among the remaining *Members* in the *Pension Plan*, the allocation to each such remaining *Member* being in the proportion to which the then present value, actuarially computed, of the amount of normal retirement benefit which is accrued to his or her account for *Credited Service* to the date of termination of the *Pension Plan* or discontinuance of contributions to the *Pension Plan* bears to the then present value of the amount of normal retirement benefit under the *Pension Plan* which has so accrued to the account of all such *Members* in the *Pension Plan*, but not in excess of one hundred (100) per cent of the then present value of any *Member's* retirement benefit under the *Pension Plan*.
- (5) To return to the *Employer* any balance which shall remain after all liabilities under the *Pension Plan* with respect to *Retired Members*, *Members*, contingent

annuitants and beneficiaries under the *Pension Plan* have been fully satisfied as hereinbefore provided.

The value of the retirement benefits under the *Pension Plan* and the amount of actuarial reserves required to provide such retirement benefits shall be determined by the actuaries in accordance with Section 14-13.

The *Retirement Board* may direct that the allocation so found to be due any person under the *Pension Plan* shall be:

- (a) Paid to him or, her as a retirement benefit through the continuance of the existing trust fund or a replacing trust fund;
- (b) Used to purchase an annuity contract from an insurance company for his or her benefit; or
- (c) Paid to him or her in cash forthwith or in installments over such period of time as the *Retirement Board*, at its sole discretion, may determine.

A temporary discontinuance of contributions by the *Employer* to the *Pension Plan* or the *Retirement Plan* shall not be construed as, nor constitute, discontinuance of contributions for the purpose of the *Pension Plan* or the *Retirement Plan*.

Sec. 14-13. - Funding of the *Pension Plan*, actuarial computations related thereof; funding of the *Retirement Plan*.

To carry out the provisions of the *Pension Plan*, the *Employer* shall enter into a trust agreement with a trust company or insurance company, and such trust agreement shall become a part of the *Pension Plan*. The trustee shall receive contributions made by the *Employer* to such fund pursuant to the *Pension Plan*, invest, reinvest and administer the assets of such fund, and make distributions therefrom in accordance with the terms and provisions of the *Pension Plan* and of such trust agreement.

The *Retirement Board* may remove the trustee or any succeeding trustee acting hereunder at any time, or the trustee may resign at any time, upon due notice in writing each to the other, the effective date of such removal or resignation to be that provided for in the trust agreement.

The *Retirement Board* reserves, at its sole discretion, the right to determine and change the method of funding of the *Pension Plan* hereunder and the time of making and amount of its contributions and all other matters relating to the financing of the *Pension Plan*.

All necessary actuarial computations and allocations of liabilities and contributions relating to the *Pension Plan* shall be made by or under the supervision of an actuary retained by the *Board* using such rate of interest, mortality and other actuarial components, and according to such methods of computation and allocations as the *Board*, with the advice of the actuaries, shall deem proper.

To carry out the provisions of the *Retirement Plan*, the *Employer* and the *Employees* who are *Members* in the *Retirement Plan* shall make contributions into the *Retirement Plan* in accordance with the terms of such *Retirement Plan*, which contributions shall be allocated into *Member* accounts in such *Retirement Plan*, pursuant to which *Members* in such *Retirement Plan* shall have the right to self-direct the investment of their accounts in such *Retirement Plan* from the fund choices available on the investment fund lineup in effect for such *Retirement Plan*, in accordance with the terms and conditions of the *Retirement Plan* document referred to in Section 14-18 and any other related trust agreement or other contract funding document applicable to such *Retirement Plan*.

That the Code of Ordinances of Danbury, Connecticut, is hereby amended by adding a section, to be numbered 14-18 which said section shall read as follows:

Sec. 14-18. Election of *Retirement Plan* by Employees not covered by any collective bargaining agreement

(a) The provisions of this article notwithstanding, the following shall apply to an *Employee* hired on or after July 1, 2017 into a position that is not included in any collective bargaining agreement.

- (1) Any such person who meets the definition of *Employee* as set forth in Section 14-2(e) shall have the option to enroll in one of the following *Retirement Plans*:
 - (i) The *Pension Plan* referenced in Sections 14-2(h), set forth in Sections 14-1 through and including 14-17, as such *Pension Plan* may be amended from time to time;
 - (ii) The *Retirement Plan* referenced in Section 14-2(i), as such *Retirement Plan* may be amended from time to time.
- (2) Said option must be exercised, in writing, on a form provided by the *Employer*, within sixty (60) days of the *Employee's* first day of employment;
- (3) An *Employee* who fails to make an election shall automatically be enrolled in the *Pension Plan* effective and retroactive to the first day of the month following the *Employee's* first day of full-time employment;
- (4) An election to enroll in the *Retirement Plan* shall constitute an irrevocable waiver of the *Employee's* right to participate in or receive any benefit from the *Pension Plan*;
- (5) At all times during the *Employee's* participation in the *Retirement Plan*, the *Employee* shall be required to make mandatory contributions into the *Retirement Plan* as required by the *Employer*, determined as a percentage set by the *Employer* of the *Employee's compensation* in such year, as further specified in the Plan document governing such *Retirement Plan*.

(b) The provisions of this article notwithstanding, the following shall apply to an *Employee* hired prior to July 1, 2017, who holds a position that is not included in any collective bargaining agreement, provided that the *Employee* has reached age sixty-two (62).

- (1) Any such *Employee* may elect to opt out of further participation in the *Pension Plan* and as a result of such election receive during such employment a distribution payable from the *Pension Plan* in the form of a single lump sum amount; which lump sum amount shall be equal to the actuarial equivalent of the *Employee's* accrued benefit in the *Pension Plan* (earned as of the time of such election to opt out). Such actuarial equivalent and lump sum amount shall be determined using the same actuarial assumptions that are used by the actuaries for the *Pension Plan* in the preparation by such actuaries of the most recently published valuation report for such *Pension Plan* that is in effect at the time of the *Member's* lump sum election, except for the mortality basis which shall be determined on a unisex basis blended 50% male, 50% female. An *Employee* receiving a lump sum distribution pursuant to this Section 14-18(b)(1) may choose to roll over such lump sum to the extent permitted under the Internal Revenue Code into an eligible retirement plan as defined in section 402(c)(8)(b) of the Internal Revenue Code, including but not limited to the *Retirement Plan*.
- (2) Upon the effective date of such election to opt-out, the *Employee* thereafter shall participate in the *Retirement Plan*, and at all times during such participation, the *Employee* shall be required to make mandatory contributions for each year, determined as a percentage of the *Employee's compensation* in such year, into the *Retirement Plan* that is at least equal to the percentage used to determine such *Employee's* mandatory contributions, if any, to the

Pension Plan, as further referenced in Section 14-8.

- (3) Such election to opt-out must be made in writing, on a form provided by the *Employer*, at least sixty (60) days prior to the proposed effective date of the election.
 - (4) An election to opt-out under this Section 14-18(b) and receive a lump-sum distribution and enroll in the *Retirement Plan* shall constitute an irrevocable waiver of the *Employee's* right to further participate in or receive any further benefit from the *Pension Plan*.
 - (5) For purposes of determining a *Retired Member's* eligibility for other benefits, if any, payable to retirees of the *Employer*, a *Retired Member* hired prior to January 1, 2012, who receives a lump-sum payment from the *Retirement Plan* shall be treated as a retiree to the same extent as if such *Retired Member* had elected or received an annuity form of payment, or payment in the form of periodic installments, from such *Retirement Plan*.
 - (6) For purposes of determining a *Member's* vested status under the *Retirement Plan's* vesting schedule specified in the *Plan* document governing such *Retirement Plan*, such *Member's* years of service under the *Pension Plan* at the time of such *Member's* opt-out from the *Pension Plan* shall be counted as vesting service of the *Member* under the *Retirement Plan*.
- (c) The provisions of this article notwithstanding, the following shall apply to an *Employee* hired prior to July 1, 2017, who holds a position that is not included in any collective bargaining agreement, and who has not reached age sixty-two (62).
- (1) Any such *Employee* may elect to opt out of further participation in the *Pension Plan*, and as a result of such election the actuarial equivalent of the *Employee's* accrued benefit in the *Pension Plan* (earned as of the time of such election to opt out) shall automatically be transferred in the form of a lump-sum amount directly from the *Pension Plan* to the *Retirement Plan*. Such actuarial equivalent and lump sum amount shall be determined using the same actuarial assumptions that are used by the actuaries for the *Pension Plan* in the preparation by such actuaries of the most recently published valuation report for such *Pension Plan* that is in effect at the time of the *Member's* lump sum election, except for the mortality basis which shall be determined on a unisex basis blended 50% male, 50% female.
 - (2) Upon the effective date of such election to opt-out, the *Employee* thereafter shall participate in the *Retirement Plan*, and at all times during such participation, the *Employee* shall be required to make mandatory contributions for each year, determined as a percentage of the *Employee's* compensation in such year, into the *Retirement Plan* that is at least equal to the percentage used to determine such *Employee's* mandatory contributions, if any, to the *Pension Plan*, as further referenced in Section 14-8.
 - (3) Such election to opt-out must be made in writing, on a form provided by the *Employer*, at least sixty (60) days prior to the proposed effective date of the election.
 - (4) An election to opt-out under this Section 14-18(c), and the resulting automatic transfer in the form of a lump-sum amount of the actuarial equivalent, which are calculated using exactly the same method and actuarial assumptions that are used in Section 14-18(c)(1) above, of the *Employee's* accrued benefit in the *Pension Plan* (earned as of the time of such election to opt out) from the *Pension Plan* to the *Retirement Plan* and the *Employee's* enrollment in the *Retirement Plan* shall constitute an irrevocable waiver of the *Employee's* right to further

participate in or receive any further benefit from the *Pension Plan* set forth in Sections 14-1 through and including 14-17.

- (5) For purposes of determining a *Retired Member's* eligibility for other benefits, if any, payable to retirees of the *Employer*, a *Retired Member* hired prior to January 1, 2012, who receives a lump-sum payment from the *Retirement Plan* shall be treated as a retiree to the same extent as if such *Retired Member* had elected or received an annuity form of payment, or payment in the form of periodic installments, from such *Retirement Plan*.
- (6) For purposes of determining a *Member's* vested status under the *Retirement Plan's* vesting schedule specified in the *Plan* document governing such *Retirement Plan*, such *Member's* years of service under the *Pension Plan* at the time of such *Member's* opt-out from the *Pension Plan* shall be counted as vesting service of the *Member* under the *Retirement Plan*.

(d) The provisions of this article notwithstanding, the following shall apply to an *Employee* hired on or after July 1, 2017, into a position that is not included in any collective bargaining agreement, who is enrolled in the *Pension Plan* in accordance with Section 14-18(a).

- (1) Provided that the *Employee* has reached age sixty-two (62), any such *Employee* may elect to opt out of further participation in the *Pension Plan*, in accordance with the terms and conditions set forth in Section 14-18(b) above.
- (2) Provided that the *Employee* has not reached age sixty-two (62), any such *Employee* may elect to opt out of further participation in the *Pension Plan*, in accordance with the terms and conditions set forth in Section 14-18(c) above.
- (e) Any additional terms and conditions applicable to the *Retirement Plan* shall be set forth in the applicable *Plan* document governing such *Retirement Plan*, which may include a customized or prototype or other standard *Plan* document furnished to the city by the vendor or other service provider hired by the *Board* or the city to provide services with respect to such *Retirement Plan*, as such *Plan* document may be amended or modified from time to time.

SECS. 14-19—14-24. - RESERVED.

Sec. 14-2. - Definitions.

The following words and phrases when used in this chapter have the following meaning:

- (a) *Board or Retirement Board* means the entity which will direct the administration of the *Plans* in accordance with Section 14-10 hereof.
- (b) *Employer* means either the Town of Danbury or the City of Danbury, or both, as the context may require, or any successor thereto.
- (c) (1) *Compensation* means the amount paid to the *Employee* by the *Employer* for the services of the *Employee*, but excluding any amounts paid on the account of the *Employee* under this *Plan*, any other *Employee* trust or any *Employee* insurance plan of the *Employer*. *Compensation* of an *Employee* absent due to *Service in the Armed Forces* shall be computed assuming that the *Employee* is actively at work during the period of such absence and receives *compensation* from the *Employer* at the rate which was paid to the *Employee* by the *Employer* at the time the *Employee* ceased active employment to enter such *Service in the Armed Forces*.

(2) For all *Members* retiring prior to January 1, 1984, *Average Compensation* shall mean the average of *compensation* over the period of ten (10) years prior to the earliest of termination of service, actual retirement, or normal retirement date. If the total period of service is less than ten (10) years, the total period of service prior to the earliest of termination of service, early retirement, or normal retirement date shall be used in computing *Average Compensation*.

(3) For all *Members* retiring after January 1, 1984, *Average Compensation* shall mean the average of *compensation* over the period of three (3) years of highest *compensation*.
- (d) *Credited Service*. For all *Members* retiring prior to January 1, 1984, *Credited Service* shall mean the period of time which elapses between the first day of the month following the date upon which the *Employee* commences full-time employment and the date upon which the *Employee* is eligible for retirement or the date of the *Employee's* termination, whichever comes earlier. If reemployed, *Credited Service* shall be the sum of all years of full-time employment. *Credited Service* shall be computed on the basis of completed years and fractions thereof through the last completed full calendar month of employment. The provisions of this paragraph shall be retroactive to January 1, 1973.

For all *Members* retiring after January 1, 1984, *Credited Service* shall mean the period of time which elapses between the first day of the month following the *Employee's* date of full-time employment and the date upon which services of the *Employee* terminate. If reemployed, *Credited Service* shall be the sum of all years of full-time employment. *Credited Service* shall be computed on the basis of completed years and fractions thereof through the last completed full calendar month of employment.

There shall be included in such *Credited Service*:

- (1) Any period of absence while on active *Service in the Armed Forces*, provided the *Employee* returns to employment within ninety (90) days after the date when the *Employee* is first eligible for release from active *Service in the Armed Forces*, or at the end of any period for which such ninety-day period has been extended by the *Employer*.
- (2) Any period of time not in excess of three (3) months during any one excused absence from employment due to disability or layoff.

There shall be excluded from such elapsed period of time in computing the *Credited Service* of the *Employee*:

- (1) Any period of time during any excused absence due to disability or layoff in excess of three (3) months during any one excused absence from employment due to disability or layoff; or
 - (2) Any period of time during which the *Employee* is on leave of absence without pay.
- (e) *Employee* shall mean any person regularly employed by the *Employer* on a full-time basis, including elected officials, but excluding police officers, firefighters and persons eligible for membership in the state teachers' retirement system; provided, however, that police officers, firefighters and persons eligible for membership in the state teachers' retirement system may be considered *Employees* for purposes of this article by virtue of other full-time employment with the *Employer*.
- (f) *Member* means an *Employee* who has become a *Member* of the *Pension Plan* as provided in Section 14-3 or the *Retirement Plan* in Section 14-18 and whose membership has not terminated as provided in Section 14-7.
- (g) *Pension or Pensions* means the retirement benefit payable either periodically or as a lump sum to a *Member* in the *Pension Plan* who, at the time of such distribution or commencement of benefits, meets the retirement criteria of the *Pension Plan*, as herein provided or referenced in Sections 14-1 through and including 14-17, or as such *Pension Plan* may be amended or modified from time to time, or the lump sum eligibility criteria in accordance with Section 14-18, or as such criteria may be amended or modified from time to time.
- (h) *Pension Plan* means the defined benefit *retirement plan* as herein provided or referenced in Sections 14-1 through and including 14-17, or as such *Plan* may be amended or modified from time to time.
- (i) *Retirement Plan* means the defined contribution *Retirement Plan* as herein provided or referenced in Section 14-18, or as such *Plan* may be amended or modified from time to time.
- (j) *Plan or Plans* means the *Pension Plan* and/or the *Retirement Plan* as herein provided or referenced in this chapter 14, or as each such *Plan* may be amended or modified from time to time.
- (K) *Retired Member* means a *Member* who has retired from the service of the *Employer* and is entitled thereby to a retirement benefit hereunder from the *Pension Plan* or the *Retirement Plan*, whether or not payment of such retirement benefit has actually commenced or been distributed in full.
- (L) *Retirement benefit or benefit* means the monthly, or other periodic payment or payments to be provided under the *Plan* for a *Member*, terminated vested *Member*, *Retired Member*, or his or her contingent annuitant or beneficiary.
- (M) *Service in the Armed Forces* means:
 - (1) Compulsory active *Service in the Armed Forces* of the United States of America;
 - (2) Voluntary active *Service in the Armed Forces* of the United States of America during a period for which applicable federal laws provide reemployment rights upon termination of such service; or
 - (3) Active *Service in the Armed Forces* of the United States of America which, in the opinion of the *Retirement Board*, was entered upon in anticipation of compulsory active service.
- (N) *Termination of Employment of an Employee* means:
 - (1) Voluntary cessation of employment with the *Employer* by an *Employee*;

- (2) Discharge of an *Employee* by the *Employer*;
- (3) Failure of an *Employee* to return to work within ten (10) days after notice has been sent by the *Employer* recalling him or her to work after a layoff;
- (4) Failure of an *Employee* to return to active employment:
 - a. Upon recovery from a disability, being then able to perform his or her regular duties;
 - b. At the end of a period for which the *Employee* has been granted a leave of absence, or any extension thereof;
 - c. Within ninety (90) days after the date when said *Employee* is first eligible for release from active *Service in the Armed Forces*, or at the end of any period for which such ninety-day period has been extended by the *Employer* upon request for such extension by the *Employee* or somebody acting on his or her behalf;
- (5) Layoff of an *Employee*:
 - a. For a period of three (3) months in the case of an *Employee* with less than six (6) months of *Credited Service*;
 - b. For a period of one (1) year in the case of an *Employee* with six (6) months or more of *Credited Service*.
- (O) *City council* means the City council of the City of Danbury.

Sec. 14-5. - Retirement benefits, normal form and amount, early retirement benefit.

- (a) The normal form of retirement benefit payable hereunder from the *Pension Plan* (whether payment commences on a normal retirement date or an early retirement date) shall be an income payable monthly to the *Retired Member* for life, commencing on the first day of the month on which the first payment is due in accordance with the provisions hereof and ceasing with the payment due on the first day of the month in which the *Member's* death occurs.
- (b) Each *Member* in the *Pension Plan* upon retiring on or after the *Member's* normal retirement date shall be entitled to receive, commencing on the first day of the calendar month coincident with or next following the *Member's* retirement date, a monthly amount of retirement benefit equal to one-twelfth ($1/12$) of the product of one and one-half per cent ($1\frac{1}{2}\%$) of the *Member's Average Compensation* multiplied by the *Member's* number of years of *Credited Service*.
- (c) Each *Member* in the *Pension Plan* retiring before January 1, 1984, and before the *Member's* normal retirement date in accordance with Section 14-4 shall be entitled to receive, commencing on his or her normal retirement date, a monthly pension equal to one-twelfth of one and one-half per cent ($1/12$ of $1\frac{1}{2}\%$) of the *Member's Average Compensation* multiplied by the *Member's* number of years of *Credited Service*.
- (d) Each *Member* who began participation in the *Pension Plan* prior to July 1, 2017, who holds a position that is not included in any collective bargaining agreement and who is retiring after January 1, 1984, and before the *Member's* normal retirement date in accordance with Section 14-4, shall be entitled to receive, commencing on the earlier of either the *Member's* normal retirement date or the first day of the month following the birthday of a *Member* which causes the sum of his or her age and number of years of service to equal eighty-five (85), a monthly pension equal to one-twelfth of one and one-half per cent ($1/12$ of $1\frac{1}{2}\%$) of the *Member's Average Compensation* multiplied by the *Member's* number of years of *Credited Service*.
- (e) Each *Member* in the *Pension Plan* hired after July 1, 2017, who holds a position not included in any collective bargaining agreement, shall be entitled to receive, commencing on the *Member's* normal retirement date, a monthly pension equal to one-twelfth of one and one-half per cent ($1/12$ of $1\frac{1}{2}\%$) of the *Member's Average Compensation* multiplied by the *Member's* number of years of *Credited Service*.
- (f) A *Member* age fifty-five (55) or over and retiring prior to January 1, 1984, may elect to receive a reduced monthly amount of retirement benefit (commencing on the first day of any month on or after the *Member's* early retirement date and before his or her normal retirement date) which shall be the monthly benefit which otherwise would commence on the *Member's* normal retirement date reduced by one-half of one per cent ($\frac{1}{2}$ of 1%) for each month by which the actual commencement of pension benefit payments precedes the normal retirement date.
- (g) Each *Member* who began participation in the *Pension Plan* prior to July 1, 2017, who holds a position that is not included in any collective bargaining agreement, who has reached at least age 55 and is retiring after January 1, 1984, and before both the *Member's* normal retirement date and the first day of the month following the birthday of a *Member* which causes the sum of the *Member's* age and number of years of service as an *Employee* of the city to be equal to eighty-five (85) may elect to receive an early retirement benefit equal to a reduced monthly amount of retirement benefit which shall be the monthly benefit which otherwise would commence on the earlier of either a *Member's* normal retirement date or the first day of the month following the birthday of a *Member* which causes the sum of the *Member's* age and number of years of service as an *Employee* of the City of Danbury to equal eighty-five (85), reduced by one-half of one per cent ($\frac{1}{2}$ of 1%) for each month by which the actual commencement of pension benefit payments precedes the earlier of either the *Member's* normal retirement date or the first day of the month

following the birthday of a *Member* which causes the sum of the *Member's* age and number of years of service as an *Employee* of the City of Danbury to equal eighty-five (85).

- (h) Each *Member* who began participation in the *Pension Plan* after July 1, 2017, who holds a position that is not included in any collective bargaining agreement, who has reached at least age 55 and is retiring before the *Member's* normal retirement date, may elect to receive an early retirement benefit equal to a reduced monthly amount of retirement benefit which shall be the monthly benefit which otherwise would commence on the *Member's* normal retirement date reduced by one-half of one percent ($1/2$ of 1%) for each month by which the actual commencement of pension benefit payments precedes the normal retirement date.
- (i) In lieu of the early retirement benefit specified in paragraphs (f), (g) or (h) and provided none of the optional forms of retirement benefit described in Section 14-6 is in effect, a *Member* in the *Pension Plan* who is retiring in advance of the date on which he or she is eligible to receive his or her primary Social Security benefit may elect in writing, filed with the *Board* prior to the commencement of retirement benefit payments from the *Pension Plan*, a form of retirement benefit of equivalent actuarial value to the retirement benefits which would otherwise be paid to the *Member* from the *Pension Plan* and under which he or she shall receive a greater amount of retirement benefit until the date on which it is expected he or she will become eligible to commence receiving Social Security benefit payments, and a smaller amount of retirement benefit from the *Pension Plan* or no retirement benefit from the *Pension Plan* thereafter, so that, insofar as is practicable, he or she may have a constant total amount of retirement income from the *Pension Plan* inclusive of his or her benefit payments under the Social Security Act.
- (j) The election of an early retirement benefit under this section must be in writing and filed with the *Board*, in such form as it shall prescribe, at least sixty (60) days prior to the date benefits are to begin.
- (k) If the monthly payment hereunder to any person would amount to less than twenty dollars (\$20.00) the *Board* may cause payment to be made to such person at less frequent intervals (but not less frequently than annually) in correspondingly greater amounts; provided, however, that if the annual rate of benefit payable to any person is less than one hundred dollars (\$100.00), the *Board* may, at its sole discretion, direct the trustee to pay such person the then present value of the retirement benefit in one sum forthwith or in installments with interest over such period of time as the *Board* may determine.
- (l) Those persons receiving pensions based on formulas in effect under this *Pension Plan*, prior to December 4, 1968, shall have their annual pensions increased by the sum of two hundred dollars (\$200.00) effective July 1, 1971. All persons retiring prior to July 3, 1973, shall have their pension increased by ten (10) per cent effective September 1, 1975, and all persons retiring prior to July 3, 1973, shall have their pensions increased by an additional ten (10) per cent effective September 1, 1977. All persons retiring prior to July 3, 1973, shall have their pensions increased by an additional fifteen (15) per cent effective January 1, 1982.
- (m) (1) Except as otherwise provided in (2) below, persons retiring from service with the City of Danbury shall have their pensions increased from time to time for increases in the cost of living, as hereinafter described. For purposes of this section, the term "base month" shall mean the month of December next preceding the July 1 on which the most recent cost of living increase in pensions became effective, but the first base month shall be December 1, 1973; the term "cost of living index" shall mean the "Consumer Price Index for Urban Wage Earners and Clerical Workers," United States city average, all items—Series A (1967-100), published by the United States Department of Labor, Bureau of Labor Statistics. Each January, commencing January, 1975, the cost of living index for the next preceding December shall be divided by the cost of living index for the base month; if the quotient equals or exceeds 1.15, all pensions shall be increased by multiplying the pension currently being paid by 1.15; such increase to be effective the following July 1. Such increases in pensions shall apply to surviving beneficiaries and

surviving contingent annuitants to whom benefits are payable under the terms of this chapter, as well as to *Retired Members*.

(2) No *Employee* hired after July 1, 2017, who holds a position that is not included in any collective bargaining agreement, nor any surviving beneficiary or surviving contingent annuitant of such *Employee*, shall be eligible for any increase to his or her pension, or any payments thereof, on account of increases in the cost of living, as otherwise described in (1) above.

- (n) In order to qualify for a cost of living adjustment as provided for in (m) above, a *Member* must have retired prior to January first in the year during which said cost of living adjustment became effective.
- (o) A *Member* in the *Retirement Plan* may elect to receive the normal form of retirement benefit that is available under the applicable Plan document in effect for such Retirement Plan, if such plan document provides for a normal form of such benefit.

Sec. 14-6. - Optional forms of retirement benefit; beneficiaries; lump sum payment option for terminated vested members.

(a) Subject to the conditions enumerated in this section, a *Member* in the *Pension Plan* may elect to receive any one of the following optional forms of retirement benefit from the *Pension Plan* in lieu of the normal form of retirement benefit from the *Pension Plan* to which said *Member* would otherwise be entitled in accordance with Section 14-5.

Option A: A contingent annuitant form of retirement benefit under which the *Member* shall receive, commencing on the same date as that on which benefits would otherwise commence, and ceasing with the payment due on the first day of the month in which said *Member's* death occurs, a reduced amount of retirement benefit; and after said *Member's* death a person designated by said *Member* as his or her contingent annuitant (if such person shall survive the *Member*) shall receive for life either the same amount of retirement benefit or, subject to the approval of the *Board*, a percentage thereof as specified by the *Member* in his or her election;

Option B: A form of retirement benefit under which the *Member* shall receive, commencing on the same date as that on which benefits would otherwise commence, and ceasing with the payment due on the first day of the month in which the *Member's* death occurs, a reduced amount of retirement benefit; and after said *Member's* death, if death occurs before he or she shall have received monthly retirement benefits for a period of five (5) years, ten (10) years, or fifteen (15) years, whichever the *Member* shall elect, the beneficiary shall receive the same reduced monthly retirement benefit until monthly payments to the *Member* and his or her beneficiary have been made for the period so elected by the *Member*;

Option C: A single lump sum payment form of retirement benefit based on the *Member's* retirement benefit otherwise payable in the normal form as determined in section 14-5 and commencing on his or her normal retirement date as determined in section 14-4, which lump sum shall be determined using the same actuarial assumptions that are used by the actuaries for the *Pension Plan* in the preparation by such actuaries of the most recently published valuation report for such *Plan* that is in effect at the time of the *Member's* lump sum election, except for the mortality basis which shall be determined on a unisex basis blended 50% male, 50% female. Such lump sum shall be payable to the *Member* commencing on the applicable normal retirement date on which benefits in the normal form which would otherwise commence, or at the *Member's* election, commencing on such earlier date but not before the later of the date the *Member* attains age 55 or the date the *Member* terminates employment with the *Employer*. For purposes of determining the *Retired Member's* eligibility for other benefits, if any, payable to retirees of the *Employer*, a *Retired Member* hired prior to January 1, 2012 who receives a lump-sum payment under this Option C shall be treated as a retiree to the same extent as if the *Retired Member* had elected or received any other form of payment under the *Pension Plan* in accordance with Section 14-5 or 14-6;

Option D: Such other form of retirement benefit, payment or settlement as the *Board*, at its sole discretion, may approve which does not permit the deferment of benefits to the retirement *Member* and payment of all or a substantial part thereof to a beneficiary or other person upon the death of the *Member*.

PRIOR OPTION D: REPEALED BY ORD. NO 141, 3-4-69.

The conditions under which any one of these options may be elected are as follows:

- (1) The *Member's* election must be in writing and filed with the *Board* in such form and at such time as it shall prescribe, and shall become effective on the *Member's* actual or normal retirement date, whichever is the earlier.
- (2) If the *Employee* has elected Option B or Option C in a form which provides a benefit following the *Member's* death, he or she shall designate in writing, in such form as the *Board* shall require, a beneficiary to receive any retirement benefit payments to be made after said *Member's* death. Such designation may be changed, either prior to or subsequent to the effective date of the election of such option, by a new designation.

- (3) After an *Employee's* actual or normal retirement date, whichever is earlier, an election of an option under this section which became effective on such date in accordance with subsection (1) above may not be rescinded, nor may the contingent annuitant under Option A be changed.
- (4) If the contingent annuitant under Option A dies before the effective date of the option, the election shall cease to be effective unless the *Member* shall, within sixty (60) days thereafter, name a new contingent annuitant. If the beneficiary under Option B or Option C or D dies before the effective date of the option, the *Member* may rescind his or her election by filing a written request therefor with the *Board*.
- (5) The death of a contingent annuitant under Option A, or of a beneficiary under Options B, C or D, after the effective date of the option and while a *Retired Member* is still living, shall not affect the amount of retirement benefit payable to the *Retired Member* pursuant to his or her election under this section.
- (6) The amount of retirement benefit payable under an option effective under this section shall be of equivalent actuarial value to the amount of normal retirement benefit which otherwise would have been payable to the *Member*.

Each *Member* to whom benefits are payable under Option B, Option C (or Option D, when appropriate), shall designate a beneficiary to whom any benefits payable upon the death of such *Employee* in accordance with such Option B, Option C (or Option D, when appropriate) shall be paid. Such *Member* (or *Retired Member*) may also designate a contingent beneficiary, and may designate or change his or her beneficiary, or contingent beneficiary, from time to time, before or after said *Member's* retirement, by filing a written notice thereof with the *Board* in such forms as shall be prescribed by it.

If a beneficiary under Options B, C or D does not survive the *Member* or the *Retired Member* for more than forty-eight (48) hours, and if no contingent beneficiary has been named by such *Member* or *Retired Member*, the commuted value of the benefits, if any, to which his or her surviving beneficiary would have been entitled shall be paid in one sum to the executor (executrix) or administrator (administratrix) of the estate of the deceased *Member* or deceased *Retired Member*. If a beneficiary who survives the *Member* or *Retired Member* for more than forty-eight (48) hours dies before receiving all payments to which he or she is entitled, the commuted value of payments due thereafter shall be paid in one sum to the executor (executrix) or administrator (administratrix) of the estate of such deceased beneficiary. Such payments shall fully discharge the liability of the *Plan* with respect to the amount so paid.

Anything herein to the contrary notwithstanding, any amount which shall become payable to the executor (executrix) or administrator (administratrix) of the estate of a deceased *Member*, deceased *Retired Member*, or deceased beneficiary may, at the sole discretion of the *Board*, be paid instead to any one or more of the following surviving relatives of the deceased *Member*, deceased *Retired Member*, or deceased beneficiary, as the case may be: wife, husband, mother, father, child (including stepchild or child by adoption,) sister, or brother. Any such payment shall fully discharge the liability of the *plan* and trust with respect to the amount so paid.

(b) Subject to the conditions enumerated in this section, a *Member* who is vested in the *Pension Plan* pursuant to Section 14-7 who terminates his or her employment with the *Employer* prior to reaching his or her applicable early retirement age or normal retirement age under the *Pension Plan*, may elect to receive a lump sum payment of his or her retirement benefit, calculated in the same manner as for Option C in subsection (a) above, except that his or her age at the time of his or her *Termination of Employment* shall be used for such lump sum calculation, which lump sum shall be payable to the *Member* as soon as reasonably practicable after the later of such termination date and the date the *Member's* completed election forms are returned to, and processed by, the *Employer*. Such lump sum payment shall be in lieu of the normal form of retirement benefit from the *Pension Plan* to which said *Member* would otherwise be entitled in accordance with Section 14-5.

(c) A *Member* in the *Retirement Plan* may elect to receive any of the optional forms of retirement benefit

that are available under the applicable *Plan* document in effect for such *Retirement Plan*.

Sec. 14-7. - Termination of Employment, vesting, refund of Employee contributions.

In the event of the *Termination of Employment* of any *Member* hired prior to December 31, 1983, such *Member* shall be vested in the *Pension Plan* under the most advantageous provisions of subsections (a), (b), (c), or (d) below and vested in the *Retirement Plan* in accordance with subsection (f). In the event of the *Termination of Employment* of any *Member* in the *Pension Plan* hired on or after January 1, 1984, such *Member* shall be vested only in accordance with the provisions of subsection (d) except as otherwise provided in subsection (e) below, any qualifying *Member* in the *Pension Plan* may elect to receive early retirement benefits in accordance with the provisions of this Article 14. Nothing herein shall be interpreted to prevent application by a qualifying *Member* for disability retirement benefits from the *Pension Plan* in accordance with the provisions of Section 14-14 hereof.

In the event of the *Termination of Employment* of a *Member*:

- (a) If said *Member* has worked for ten (10) years he or she shall not forfeit any pension right. Membership in the *Pension Plan* shall continue and upon attainment of his or her normal retirement date he or she shall be entitled to receive a Retirement Benefit determined in accordance with Section 14-5 and based on the *Member's Average Compensation* and *Credited Service* to the date of termination. Likewise such *Member* in the *Pension Plan* may exercise early retirement options but only after the age of fifty-five (55).
- (b) If a *Pension Plan Member's* employment is terminated and said *Member* cannot qualify under subsection (a) of this section said *Member* may qualify for a vested Retirement Benefit from the *Pension Plan* if the sum of his or her years of service plus said *Member's* age at his or her last birthday totals the number fifty (50). Said *Member* shall receive a pension from the *Pension Plan* as described in subsection (a) above.
- (c) A *Member* terminating before normal retirement date not qualifying under the above paragraphs loses all pension benefits from the *Pension Plan* unless he or she is rehired and can accumulate the additional service to qualify under the above paragraphs.

Persons returning to work must work a minimum of one (1) year to qualify under this subsection.
- (d) The benefits provided under the *Pension Plan* shall vest in accordance with the following schedule:

Vesting Schedule

Years of Full Employment	VESTED Percentage
Less than 5 years	0
5	50
6	60
7	70
8	80
9	90

10	100
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- (e) Effective as of July 1, 2011, a *Member* who separates employment with the *Employer* after that date with less than five (5) years of service shall be entitled to a return of his or her *Employee* contributions to the *Pension Plan*.

Effective as of July 1, 2011, a *Member* who separates employment with the *Employer* after that date with more than five (5) years but less than ten (10) years of service shall have the option of receiving his/her *Employee* contributions to the *Pension Plan* plus three percent (3%) interest (or such higher rate that may be approved from time to time for a *Member* in either the collective bargaining agreement covering such *Member* or by approval by the City Council with respect to *Members* holding positions that are not included in any collective bargaining agreement in lieu of any other partially vested benefit under the *Pension Plan* provided that such *Member* makes such irrevocable election in writing at the time of his or her separation.

In the event that a *Member* who separates service and receives a return of contributions (with or without interest as set forth above) and the *Member* is subsequently re-employed by the *Employer*, the *Member* will not receive credit for pension or retirement purposes in the *Pension Plan* or the *Retirement Plan* for any years of service prior to his or her reemployment.

- (f) The benefits provided under the *Retirement Plan* shall vest in accordance with the vesting schedule set forth in the applicable *Plan* document in effect for such *Retirement Plan*. Any additional terms and conditions applicable to the *Retirement Plan* shall be set forth in the applicable plan document governing such *Retirement Plan*, which may include a customized or prototype or other standard *Plan* document furnished to the City by the vendor or other service provider hired by the City to provide services with respect to such *Retirement Plan*.

Sec. 14-8. - Contributions by *Employee* and *Employer*.

Contributions necessary to provide the benefits under the *Pension Plan* shall be made by the *Employer*, and no *Employee* as defined in Section 14-2 of the Code of Ordinances of the City of Danbury, except those non-union *Employees* hired subsequent to January 1, 2011, shall be required to make any contributions. Those non-union *Employees* hired subsequent to January 1, 2011 shall contribute five percent (5%) of their base annual salary as defined for purposes of the *Pension Plan*, or such greater percentage as may be required in the future by the *Employer*. Contributions shall be made to the trustee from time to time in amounts sufficient to assure the successful operation of the *Pension Plan* on a sound actuarial basis as determined by periodic actuarial computations.

The *Employer* shall pay the expenses of administering the *Pension Plan*, including any compensation of the trustee and the compensation of the actuaries.

Sec. 14-9. - Limitation of rights of *Employees*.

Nothing contained in the *Plans* give, or is intended to give, any *Employee* the right to be retained in the service of the *Employer* or interferes, or is intended to interfere, with the right of the *Employer* to discharge or terminate the employment of any *Employee* at any time. No *Employee* shall have any right or claim to benefits beyond those expressly provided by the *Plans*. All rights and claims are limited as set forth in the *Plan* and are further limited to the extent of the funds available therefor in the hands of the trustee.

No benefits payable at any time under the *Plan* shall be subject, in any manner, to alienation, sale, transfer, assignment, pledge, attachment or encumbrance of any kind. Any attempt to alienate, sell, transfer, assign, pledge or otherwise encumber any such benefit, whether presently or thereafter payable, shall be void. No retirement benefit and no trust established in connection with this *Plan* shall in any manner be subject to the debts or liabilities of any *Member*, *Retired Member*, contingent annuitant, or beneficiary entitled to any benefit, nor shall any trustee of such trust be required to make any payment toward such debts or liability. If the *Member*, *Retired Member*, contingent annuitant or beneficiary shall attempt to, or shall alienate or encumber his or her benefits under this *Plan* or any part hereof, or if by reason of his or her bankruptcy (voluntary or involuntary) or insolvency or by reason of any attachment or any other event happening at any time, such benefits or any part thereof would devolve upon anyone else or would not be enjoyed by said *Member*, his or her right to receive same shall absolutely cease and terminate; provided, however, that thereafter the *Board* may, at its discretion, cause to be paid or applied for the support and maintenance of said *Member*, *Retired Member*, contingent annuitant or beneficiary or for the support and maintenance of any *Member* of his or her family, so much of said benefit, and in such shares and proportions as the *Board* may deem proper.

In the event it shall be determined by the *Board* that any *Retired Member*, contingent annuitant or beneficiary is unable to care for his or her affairs due to mental or physical incapacity, any benefits payable to him or her may be paid to the spouse, parent, brother or sister, or other person deemed by the *Retirement Board* to have occurred expenses for such *Retired Member*, contingent annuitant or beneficiary unless prior claim thereof has been made by a duly qualified guardian or other legal representative. Any such payment shall be a payment for the account of the *Retired Member*, contingent annuitant or beneficiary, and shall be a complete discharge of any liability of the *Plan* therefor.

Sec. 14-10. - Administration of the *Pension Plan* and the *Retirement Plan*.

The general administration of the *Pension Plan* and the *Retirement Plan* and the responsibility for carrying out their provisions shall be vested in a five (5) person *Retirement Board* composed of the mayor of the city (or his or her nominee), the director of finance (or his or her nominee), one person appointed jointly by the mayor and the director of finance, one person who is a representative of the Danbury Municipal Employees Association and one person who is a representative of the International Brotherhood of Teamsters, Local #677. A *Board* member may be replaced at any time by the person or persons or the union who appointed said member. A person appointed a member of such *Board* shall serve without compensation and shall signify his or her acceptance in writing. A *Board* member may resign by delivering a written resignation to the *Board* and such resignation shall become effective upon its delivery or at any later date specified therein. If at any time there shall be a vacancy in the membership of the *Board*, the remaining member or members shall continue to act until such vacancy is filled by action of the mayor or the director of finance of the city, by the two (2) of them jointly or by the applicable union whose representative has resigned from the *Board*.

The *Board* shall appoint from among its members a chairperson, and shall appoint as secretary a person who may, but need not, be a member of the *Board* or eligible for benefits under the *Pension Plan* or the *Retirement Plan*.

The *Board* shall hold meetings upon such notice, at such place or places, and at such times as its members may from time to time determine. A simple majority of the members at the time in office shall constitute a quorum for the transaction of business. All action taken by the *Board* at any meeting shall be by vote of the simple majority of those present at such meeting, but the *Board* may act without a meeting by unanimous action of its members evidenced by a resolution or other writing signed by all of the members of the *Board*.

Subject to the terms of the *Pension Plan* and *Retirement Plan*, the *Board* may from time to time adopt bylaws, rules and regulations for the administration of each *Plan* and the conduct and transaction of its business affairs.

The *Board* shall have such power as may be necessary to discharge its duties hereunder, including, but not limited to, the power to interpret and construe the *Pension Plan* and *Retirement Plan*, to determine all questions of eligibility, duration of *Credited Service*, dates of birth, membership and retirement, computation of benefits, value of benefits, and similarly related matters for the purposes of the each *Plan*, and the *Board's* determination of all questions arising under the *Pension Plan* and the *Retirement Plan* shall be binding upon all *Employees*, *Members*, *Retired Members*, or any others concerned.

The *Board* shall employ an actuary at such times as are necessary and the *Board* may retain or consult counsel and may employ such clerical, medical, accounting, actuarial, administrative or consulting services as it deems expedient in carrying out the provisions of the *Pension Plan* or the *Retirement Plan*.

The *Board* shall require each *Member* to submit to it, in such form as it shall deem reasonably adequate and acceptable, proof of age or date of birth and that of his or her contingent annuitant if such *Member* shall elect Option A under the *Pension Plan*.

The *Board* shall keep such records and minutes of its proceedings and actions as it deems appropriate. It shall also maintain accounts showing the fiscal transactions of the *Pension Plan* and the *Retirement Plan* and shall keep in convenient form such data as may be necessary for the actuarial valuation of the assets and liabilities of the *Pension Plan* and for the records and reports relating to the *Retirement Plan*. The *Board* shall prepare annually a report for each *Plan* to the City council showing in reasonable detail the assets and liabilities and a brief account of the operation for the preceding year. It shall keep a copy of the *Pension Plan* and the *Retirement Plan* in the office of the mayor and the comptroller of the city available for inspection by *Members* and *Retired Members*, and shall permit any

Member or Retired Member in the Pension Plan or any Member or Retired Member in the Retirement Plan to examine such of its records as are material to his or her rights and benefits hereunder.

The *Board*, or its authorized agent, shall direct the trustee or vendor concerning all payments which are to be made out of the fund pursuant to the *Pension Plan* or the *Retirement Plan*, and all terminations of such payments.

The *Board* may authorize one or more of its members, officers or agents to sign on its behalf any instructions of the *Board* to the trustee or vendor and the trustee and/or vendor will be fully protected in action thereon.

The members of the *Board* shall use ordinary care and reasonable diligence in the performance of their duties, but no member shall be personally liable for any error of omission or commission unless such error results from gross negligence, willful misconduct or lack of good faith; not shall any member be personally liable for any act of any other member or members.

Operation and administration expenses of the *Board* shall be paid by the *Employer*. The *Employer* shall reimburse members of the *Board* for all necessary expenses. The secretary of the *Board* shall be entitled to such compensation, if any, as the *Board* shall from time to time direct.

Neither the *Board*, nor the *Employer*, shall be responsible for any reports furnished by the actuary or any other consultant or vendor employed by the *Board*, but shall be entitled to rely thereon as well as on all tables, valuations and certificates furnished by such actuary, consultant or vendor, and on all opinions of counsel. The *Board*, the *Employer* and the trustees shall be fully protected with respect to any action taken or suffered by them in good faith and reliance upon any such actuary, accountant or counsel, and all actions taken and suffered in such reliance shall be binding between, and without liability to, each of them and to each and all *Members*, contingent annuitants or beneficiaries under the *Pension Plan* or *Retirement Plan* or under a trust agreement made a part hereof. Neither the *Employer*, nor the trustee of any trust established hereunder in connection with the funding of the *Pension Plan* or *Retirement Plan*, shall be liable hereunder, or under any trust agreement entered into hereunder, for any error of omission or commission unless such error results from its own gross negligence, willful misconduct or lack of good faith; and neither the *Employer* nor any trustee shall be liable hereunder for any error of omission or commission of any attorney or agent unless in the selection of such attorney or agent it was guilty of gross negligence, willful misconduct, or lack of good faith.

Sec. 14-11. - Amendment to, termination of or discontinuance or suspension of *Employer* contributions to *Pension Plan* or *Retirement Plan*.

The *Employer* reserves the right to modify or amend the *Pension Plan* or *Retirement Plan* or any of their provisions by delivery to the *Retirement Board* of a certified copy of the vote of the City council making such modification or amendment; provided, however, that no such modification or amendment shall be made which would:

- (a) Increase the duties or liabilities of the trustee without its written consent;
- (b) Divest a *Member* of any interest hereunder that has accrued to him or her; or
- (c) Cause or permit any portion of the trust fund or other fund comprising the *Plan* to be converted to or become the property of the *Employer* prior to the satisfaction of all liabilities with respect to such *Plan*;

unless such modification or amendment is necessary or appropriate to enable the *Plan* or trust or fund to qualify under Section 401 of the Internal Revenue Code as from time to time amended or under any corresponding section of the Internal Revenue Code as hereafter enacted.

In the event the *Pension Plan* at any time shall be terminated in whole or in part or contributions under the *Pension Plan* shall be discontinued, the value of the assets of the trust fund shall be determined. Such assets shall then be used in such way that each of the following provisions shall be given full effect before any later provision is carried out and in such way that if, in the carrying out of a provision, the value of the property remaining in the trust fund of the *Pension Plan* is insufficient to carry out such provision in full, the property available therefor shall be applied in the same proportions as the allocation which would be made if such property were sufficient to carry out the provisions in full:

- (1) To provide the retirement benefits under the *Pension Plan* still to be paid to any *Retired Member*, or contingent annuitant, or beneficiary of a deceased *Retired Member*.
- (2) To provide the retirement benefits under the *Pension Plan* which have accrued to *Members* who have reached their normal retirement dates or who have reached the first day of the month following the birthday which causes the sum of their age and number of years of service as an *Employee* of the City of Danbury to equal eighty-five (85) and who have not retired.
- (3) To provide the retirement benefits under the *Pension Plan* which have accrued to *Members* who have reached a date upon which they could terminate employment without forfeiting all interest in the trust fund in accordance with Section 14-7.
- (4) If there is a balance of the fund remaining after the allocations provided for in subsections (1), (2) and (3) above, to allocate such balance among the remaining *Members* in the *Pension Plan*, the allocation to each such remaining *Member* being in the proportion to which the then present value, actuarially computed, of the amount of normal retirement benefit which is accrued to his or her account for *Credited Service* to the date of termination of the *Pension Plan* or discontinuance of contributions to the *Pension Plan* bears to the then present value of the amount of normal retirement benefit under the *Pension Plan* which has so accrued to the account of all such *Members* in the *Pension Plan*, but not in excess of one hundred (100) per cent of the then present value of any *Member's* retirement benefit under the *Pension Plan*.
- (5) To return to the *Employer* any balance which shall remain after all liabilities under the *Pension Plan* with respect to *Retired Members*, *Members*, contingent

annuitants and beneficiaries under the *Pension Plan* have been fully satisfied as hereinbefore provided.

The value of the retirement benefits under the *Pension Plan* and the amount of actuarial reserves required to provide such retirement benefits shall be determined by the actuaries in accordance with Section 14-13.

The *Retirement Board* may direct that the allocation so found to be due any person under the *Pension Plan* shall be:

- (a) Paid to him or, her as a retirement benefit through the continuance of the existing trust fund or a replacing trust fund;
- (b) Used to purchase an annuity contract from an insurance company for his or her benefit; or
- (c) Paid to him or her in cash forthwith or in installments over such period of time as the *Retirement Board*, at its sole discretion, may determine.

A temporary discontinuance of contributions by the *Employer* to the *Pension Plan* or the *Retirement Plan* shall not be construed as, nor constitute, discontinuance of contributions for the purpose of the *Pension Plan* or the *Retirement Plan*.

Sec. 14-13. - Funding of the *Pension Plan*, actuarial computations related thereof; funding of the *Retirement Plan*.

To carry out the provisions of the *Pension Plan*, the *Employer* shall enter into a trust agreement with a trust company or insurance company, and such trust agreement shall become a part of the *Pension Plan*. The trustee shall receive contributions made by the *Employer* to such fund pursuant to the *Pension Plan*, invest, reinvest and administer the assets of such fund, and make distributions therefrom in accordance with the terms and provisions of the *Pension Plan* and of such trust agreement.

The *Retirement Board* may remove the trustee or any succeeding trustee acting hereunder at any time, or the trustee may resign at any time, upon due notice in writing each to the other, the effective date of such removal or resignation to be that provided for in the trust agreement.

The *Retirement Board* reserves, at its sole discretion, the right to determine and change the method of funding of the *Pension Plan* hereunder and the time of making and amount of its contributions and all other matters relating to the financing of the *Pension Plan*.

All necessary actuarial computations and allocations of liabilities and contributions relating to the *Pension Plan* shall be made by or under the supervision of an actuary retained by the *Board* using such rate of interest, mortality and other actuarial components, and according to such methods of computation and allocations as the *Board*, with the advice of the actuaries, shall deem proper.

To carry out the provisions of the *Retirement Plan*, the *Employer* and the *Employees* who are *Members* in the *Retirement Plan* shall make contributions into the *Retirement Plan* in accordance with the terms of such *Retirement Plan*, which contributions shall be allocated into *Member* accounts in such *Retirement Plan*, pursuant to which *Members* in such *Retirement Plan* shall have the right to self-direct the investment of their accounts in such *Retirement Plan* from the fund choices available on the investment fund lineup in effect for such *Retirement Plan*, in accordance with the terms and conditions of the *Retirement Plan* document referred to in Section 14-18 and any other related trust agreement or other contract funding document applicable to such *Retirement Plan*.

That the Code of Ordinances of Danbury, Connecticut, is hereby amended by adding a section, to be numbered 14-18 which said section shall read as follows:

Sec. 14-18. Election of *Retirement Plan* by *Employees* not covered by any collective bargaining agreement

(a) The provisions of this article notwithstanding, the following shall apply to an *Employee* hired on or after July 1, 2017 into a position that is not included in any collective bargaining agreement.

- (1) Any such person who meets the definition of *Employee* as set forth in Section 14-2(e) shall have the option to enroll in one of the following *Retirement Plans*:
 - (i) The *Pension Plan* referenced in Sections 14-2(h), set forth in Sections 14-1 through and including 14-17, as such *Pension Plan* may be amended from time to time;
 - (ii) The *Retirement Plan* referenced in Section 14-2(i), as such *Retirement Plan* may be amended from time to time.
- (2) Said option must be exercised, in writing, on a form provided by the *Employer*, within sixty (60) days of the *Employee's* first day of employment;
- (3) An *Employee* who fails to make an election shall automatically be enrolled in the *Pension Plan* effective and retroactive to the first day of the month following the *Employee's* first day of full-time employment;
- (4) An election to enroll in the *Retirement Plan* shall constitute an irrevocable waiver of the *Employee's* right to participate in or receive any benefit from the *Pension Plan*;
- (5) At all times during the *Employee's* participation in the *Retirement Plan*, the *Employee* shall be required to make mandatory contributions into the *Retirement Plan* as required by the *Employer*, determined as a percentage set by the *Employer* of the *Employee's compensation* in such year, as further specified in the Plan document governing such *Retirement Plan*.

(b) The provisions of this article notwithstanding, the following shall apply to an *Employee* hired prior to July 1, 2017, who holds a position that is not included in any collective bargaining agreement, provided that the *Employee* has reached age sixty-two (62).

- (1) Any such *Employee* may elect to opt out of further participation in the *Pension Plan* and as a result of such election receive during such employment a distribution payable from the *Pension Plan* in the form of a single lump sum amount; which lump sum amount shall be equal to the actuarial equivalent of the *Employee's* accrued benefit in the *Pension Plan* (earned as of the time of such election to opt out). Such actuarial equivalent and lump sum amount shall be determined using the same actuarial assumptions that are used by the actuaries for the *Pension Plan* in the preparation by such actuaries of the most recently published valuation report for such *Pension Plan* that is in effect at the time of the *Member's* lump sum election, except for the mortality basis which shall be determined on a unisex basis blended 50% male, 50% female. An *Employee* receiving a lump sum distribution pursuant to this Section 14-18(b)(1) may choose to roll over such lump sum to the extent permitted under the Internal Revenue Code into an eligible retirement plan as defined in section 402(c)(8)(b) of the Internal Revenue Code, including but not limited to the *Retirement Plan*.
- (2) Upon the effective date of such election to opt-out, the *Employee* thereafter shall participate in the *Retirement Plan*, and at all times during such participation, the *Employee* shall be required to make mandatory contributions for each year, determined as a percentage of the *Employee's compensation* in such year, into the *Retirement Plan* that is at least equal to the percentage used to determine such *Employee's* mandatory contributions, if any, to the

Pension Plan, as further referenced in Section 14-8.

- (3) Such election to opt-out must be made in writing, on a form provided by the *Employer*, at least sixty (60) days prior to the proposed effective date of the election.
- (4) An election to opt-out under this Section 14-18(b) and receive a lump-sum distribution and enroll in the *Retirement Plan* shall constitute an irrevocable waiver of the *Employee's* right to further participate in or receive any further benefit from the *Pension Plan*.
- (5) For purposes of determining a *Retired Member's* eligibility for other benefits, if any, payable to retirees of the *Employer*, a *Retired Member* hired prior to January 1, 2012, who receives a lump-sum payment from the *Retirement Plan* shall be treated as a retiree to the same extent as if such *Retired Member* had elected or received an annuity form of payment, or payment in the form of periodic installments, from such *Retirement Plan*.
- (6) For purposes of determining a *Member's* vested status under the *Retirement Plan's* vesting schedule specified in the *Plan* document governing such *Retirement Plan*, such *Member's* years of service under the *Pension Plan* at the time of such *Member's* opt-out from the *Pension Plan* shall be counted as vesting service of the *Member* under the *Retirement Plan*.

(c) The provisions of this article notwithstanding, the following shall apply to an *Employee* hired prior to July 1, 2017, who holds a position that is not included in any collective bargaining agreement, and who has not reached age sixty-two (62).

- (1) Any such *Employee* may elect to opt out of further participation in the *Pension Plan*, and as a result of such election the actuarial equivalent of the *Employee's* accrued benefit in the *Pension Plan* (earned as of the time of such election to opt out) shall automatically be transferred in the form of a lump-sum amount directly from the *Pension Plan* to the *Retirement Plan*. Such actuarial equivalent and lump sum amount shall be determined using the same actuarial assumptions that are used by the actuaries for the *Pension Plan* in the preparation by such actuaries of the most recently published valuation report for such *Pension Plan* that is in effect at the time of the *Member's* lump sum election, except for the mortality basis which shall be determined on a unisex basis blended 50% male, 50% female.
- (2) Upon the effective date of such election to opt-out, the *Employee* thereafter shall participate in the *Retirement Plan*, and at all times during such participation, the *Employee* shall be required to make mandatory contributions for each year, determined as a percentage of the *Employee's compensation* in such year, into the *Retirement Plan* that is at least equal to the percentage used to determine such *Employee's* mandatory contributions, if any, to the *Pension Plan*, as further referenced in Section 14-8.
- (3) Such election to opt-out must be made in writing, on a form provided by the *Employer*, at least sixty (60) days prior to the proposed effective date of the election.
- (4) An election to opt-out under this Section 14-18(c), and the resulting automatic transfer in the form of a lump-sum amount of the actuarial equivalent, which are calculated using exactly the same method and actuarial assumptions that are used in Section 14-18(c)(1) above, of the *Employee's* accrued benefit in the *Pension Plan* (earned as of the time of such election to opt out) from the *Pension Plan* to the *Retirement Plan* and the *Employee's* enrollment in the *Retirement Plan* shall constitute an irrevocable waiver of the *Employee's* right to further

participate in or receive any further benefit from the *Pension Plan* set forth in Sections 14-1 through and including 14-17.

- (5) For purposes of determining a *Retired Member's* eligibility for other benefits, if any, payable to retirees of the *Employer*, a *Retired Member* hired prior to January 1, 2012, who receives a lump-sum payment from the *Retirement Plan* shall be treated as a retiree to the same extent as if such *Retired Member* had elected or received an annuity form of payment, or payment in the form of periodic installments, from such *Retirement Plan*.
- (6) For purposes of determining a *Member's* vested status under the *Retirement Plan's* vesting schedule specified in the *Plan* document governing such *Retirement Plan*, such *Member's* years of service under the *Pension Plan* at the time of such *Member's* opt-out from the *Pension Plan* shall be counted as vesting service of the *Member* under the *Retirement Plan*.

(d) The provisions of this article notwithstanding, the following shall apply to an *Employee* hired on or after July 1, 2017, into a position that is not included in any collective bargaining agreement, who is enrolled in the *Pension Plan* in accordance with Section 14-18(a).

- (1) Provided that the *Employee* has reached age sixty-two (62), any such *Employee* may elect to opt out of further participation in the *Pension Plan*, in accordance with the terms and conditions set forth in Section 14-18(b) above.
- (2) Provided that the *Employee* has not reached age sixty-two (62), any such *Employee* may elect to opt out of further participation in the *Pension Plan*, in accordance with the terms and conditions set forth in Section 14-18(c) above.
- (e) Any additional terms and conditions applicable to the *Retirement Plan* shall be set forth in the applicable *Plan* document governing such *Retirement Plan*, which may include a customized or prototype or other standard *Plan* document furnished to the city by the vendor or other service provider hired by the *Board* or the city to provide services with respect to such *Retirement Plan*, as such *Plan* document may be amended or modified from time to time.

SECS. 14-19—14-24. - RESERVED.